000 the numerous political parties.

814 Meanwhile, Estonian economy had vastly improved and had recovered from the crippling blow of the depression. In her cultural life, Estonia had caught up with other European nations, aided greatly by the Estonian Culture Fund (Eesti Kultuurkapital), which was set up in 1925. The aims of the Culture Fund were to popularize and to further research in the liberal arts, to encourage creative work in literature and the fine arts, adult education and physical [651] education. The Culture Fund received its income from various state taxes (tobacco, liquor, recreational enterprises, etc.). It had six divisions: literature, music, art, theater, sports and journalism, and was governed by a council comprising representatives from every division and from the Government of the

1:Indiana U. S-4, 5(1954-5)1955 RG4 Estonia RG4

Annex "A," Subparagraph 3c,

Economic Background

TAXATION

651 In the last normal year prior to World War II, 1938-39, direct taxes occupied fourth place (5.7 per cent) in Estonia's revenue and indirect taxes, in first place, amounted to about one-third of the total revenue. The State revenue in 1938-39 was made up of the following items:

REVENUE 1938-39

	Million Kroons
a) Ordinary Revenue	
Direct taxes	13.4
Stamp duties and fees	7.1
Indirect taxes	33.9
Alcohol monopoly	18.5
State enterprises and properties	32.3
Miscellaneous Revenue	0.7
	106.0

1:Indiana U. S-4, 5(1954-5)1955 RG4 Estonia RG4

651 REVENUE 1938-39 (continued...)

b) Extraordinary Revenue..... 1.6

Total Revenue 107.6

In general, direct taxes were fairly reasonable in independent Estonia and the size of a family was taken into account. Adults without children paid higher taxes. Indirect taxes came from the customs and excise tax.

Information is lacking about revenues in the Estonian SSR but reports from refugees indicate that the gross income tax is heavier than in pre-Soviet Estonia, averaging about 11 per cent of the gross income of a worker. In addition to the gross income tax the workers must contribute 10 per cent of their wages toward the State loan. By now, the average wage of a worker is about 500 rubles monthly, and his food cost per month is estimated at about 322

1:Indiana U. S-4, 5(1954-5)1955 RG4 Estonia RG4

651 rubles. One can easily see how little there is left, when food and taxes have been paid.

The tax receipts are divided between the local Estonian and the central adminstration, according to the needs of the Soviet Union.

SOURCES

113 Eesti, Teatmeteos [Estonia, a Reference Book] 1949. Vol. III. Geislingen.

Raud, Villibald

1953. Estonia, a Reference Book. New York.